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COOPERATIVES

INFORMATION 62
FARMER COOPERATIVE SERVICE
U.S. DEPARTMENT OF AGRICULTURE

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NOW AND IN THE FUTURE

U. S. DEPARTMENT OF AGRICULTURE
Washington, D. C. 20250

Farmer Cooperative Service conducts research; advises directly with cooperative leaders and others; promotes cooperative organization and development through other Federal and State agencies; and publishes results of its research, issues News for Farmer Cooperatives, and other education material.

This work is aimed (1) to help farmers get better prices for their products and reduce operating expenses, (2) to help rural and small-town residents use cooperatives to develop rural resources, (3) to help these cooperatives expand their services and operate more efficiently, and (4) to help all Americans understand the work of these cooperatives.

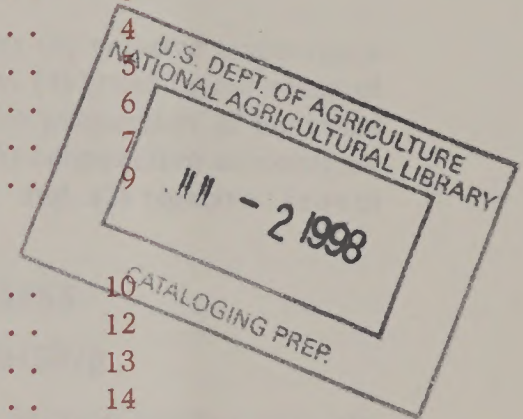
FCS Information 62 (Revised)

June 1969

This publication is an updating and revision of FCS Information 52, Cooperatives Today and Tomorrow, issued in 1966.

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COOPERATIVES

NOW AND IN THE FUTURE

by Martin A. Abrahamsen
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Cooperatives, as a self-help tool of members, have a very important place in the rural economy of the United States. This publication reports their present status and basic trends in their development. It also identifies areas in need of further attention as cooperatives plan for the future.

Cooperatives Now

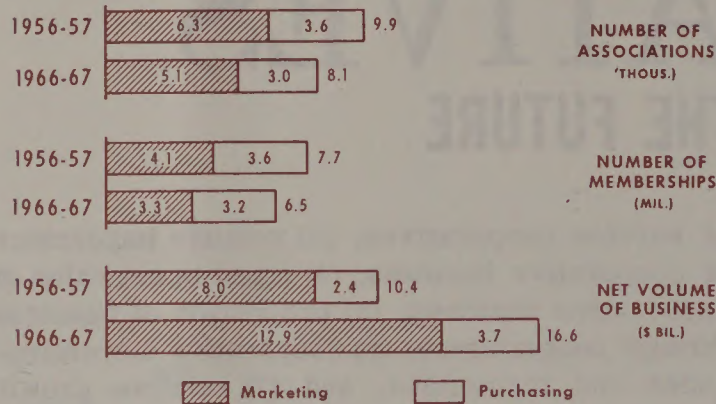
The status of cooperatives is here considered from the standpoint of: (1) Net volume of business, number, and membership; (2) type and importance

of service cooperatives; (3) relative importance of cooperative business; (4) trend in net value of cooperative business; (5) proportion of business through cooperatives; (6) cooperative discontinuances and formations; and (7) relative growth trends.

Net Volume of Business, Number, and Membership

Farmer Cooperative Service studies indicate that as of 1966-67 (the last year for which we have available data), 8,125 marketing, purchasing, and related service cooperatives operated in the United States. These cooperatives reported net volume of business amounting to \$16.6 billion and membership of 6.5 million (figure 1).

Fig. 1 U. S. MARKETING AND PURCHASING COOPERATIVES



Those cooperatives whose main business is marketing accounted for 62 percent of the number of cooperatives and 51 percent of the number of individual memberships in 1966-67.

Cooperatives whose major business was farm supplies or related farm services represented the remainder and accounted for 38 percent of the cooperatives and 49 percent of the membership total.

Cooperative marketing accounted for an estimated 78 percent of total net business volume and farm supplies and related services for 22 percent.

Ten years earlier, in 1956-57, the 9,891 cooperatives marketing farm products and providing farm supplies and services had a total net volume of business of \$10.4 billion and 7.7 million memberships.

In that year, marketing cooperatives accounted for 64 percent of the cooperatives and 54 percent of the memberships. Purchasing and related farm service cooperatives accounted for 36 percent, and 46 percent of these respective items. Marketing volume made up 77 percent of total net business and farm supplies and related services 23 percent.

Since 1956-57 the number of cooperatives has declined 18 percent while memberships are down 15 percent. Net volume of business increased 60 percent during the period.

To express this another way, since 1956-57 the number of cooperatives and memberships have decreased at average rates of about 2 percent a year; and net volume of business has increased at an average rate of about 6 percent a year.

Type and Importance of Service Cooperatives

Any discussion of cooperatives would be incomplete if it did not consider important types of rural service associations. Figure 2 shows these various types with membership and percent of service cooperatives provide.

As of January 1, 1969, 658 Federal Land Banks were serving over 385,000 members and providing 22 percent of all long-time farm loans.

A total of 453 Production Credit Associations were serving over 500,000 memberships and providing about 15 percent of the production credit used by all farmers.

Twelve district Banks for Cooperatives and one Central Bank for Cooperatives furnish credit to

Fig. 2 MAJOR TYPES, NUMBER, AND MEMBERSHIPS OF SERVICE COOPERATIVES, 1967 OR 1968

TYPE	NUMBER OF ASSOCIATIONS	MEMBERSHIPS OR PARTICIPANTS ESTIMATED	% OF SERVICE PROVIDED BY COOPERATIVES Estimate
Federal Land Bank	658	386,905	22
Production Credit	453	543,938	15
Banks for Cooperatives	13	3,600,000	60
Rural Credit Unions *	750	266,000	1
Rural Electric *	901	5,503,449	54
Rural Telephone *	227	542,054	45
Farmers' Mutual Fire Insurance	1,350	3,000,000	50
Mutual Irrigation *	7,729	161,679	35
Dairy Herd Improvement	1,962	36,869	17
Dairy Cattle Artificial Breeding	21	296,717	57

* 1959

local and regional cooperatives serving more than 3.5 million farmers. In all, these loans account for about 60 percent of the credit used by these cooperatives.

Some 750 rural credit unions serve more than 260,000 members and supply 1 percent of rural non real estate credit.

As of October 1, 1968, about 900 rural electric cooperatives were providing electricity to more

than 5.5 million members. These accounted for 54 percent of the electrical needs of rural America. In addition, 227 rural telephone associations had over one-half million rural people as members and provided an estimated 45 percent of the telephones owned by farmers and other rural people.

Current figures show some 1,350 mutual fire insurance companies provide insurance for 3 million members. They do about 50 percent of the insurance business in farm and rural areas.

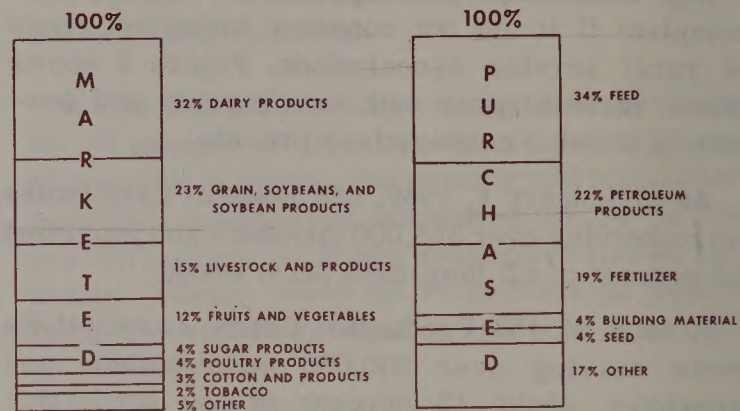
A total of 7,700 mutual irrigation companies, many informally organized, serve over 160,000 members and provide an estimated 35 percent of the irrigation needs of farmers in the United States.

In addition, a limited number of other types of service cooperatives include machinery-use associations, transportation cooperatives, grazing cooperatives, recreation associations, and health organizations.

Relative Importance of Cooperative Business

The relative importance of the major commodities marketed and the various farm supplies provided by cooperatives varied widely (figure 3).

Fig. 3 RELATIVE IMPORTANCE OF MAJOR COMMODITIES MARKETING BY AND PURCHASED THROUGH FARMER COOPERATIVES, 1966-67



Dairy products account for 32 percent of the net value of farm products marketed by cooperatives; grain, including soybeans and soybean

products, 23 percent; livestock and livestock products, 15 percent; fruits and vegetables, 12 percent; sugar products, 4 percent; poultry, 4 percent; cotton and cotton products, 3 percent; tobacco, 2 percent; and others, 5 percent.

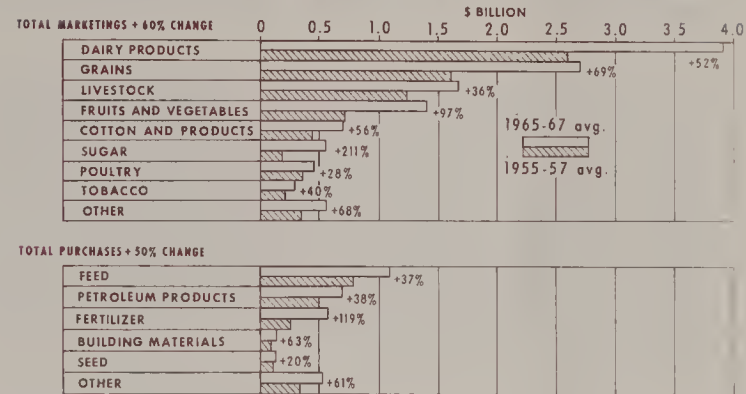
The relative importance of farm production supplies distributed by cooperatives is: Feed, 34 percent; petroleum products, 22 percent; fertilizer, 19 percent; building materials, 4 percent; seed, 4 percent; and other, 17 percent.

Trends in Net Value of Cooperative Business

Let us now compare trends in the actual net value of cooperative business from 1956-57 to 1966-67. To do this we use 3-year averages as shown in figure 4. This enables us to even out fluctuations that might abnormally distort individual items if yearly data were used.

Sugar, fruits and vegetables, and grains have shown the greatest increase in net value for the

Fig. 4 **NET VALUE OF MARKETINGS AND PURCHASES**
BY FARMER COOPERATIVES
By Principal Class of Product, 3-Year Averages, 1955-57 and 1965-67



period. Increases for these products were: 211 percent, 97 percent, and 69 percent, respectively. Cotton and cotton products and dairy products also showed substantial increases amounting, respectively, to 56 and 52 percent for the period. In the case of livestock and poultry change was moderate. Included in the "other" classification are dry beans and peas, nuts, rice, wool and mohair, and miscellaneous items. Overall this category increased 68 percent during the period.

For all products marketed the increase was 60 percent.

The net value of all farm supplies purchased increased 50 percent. Fertilizer and building materials increased 119 percent and 63 percent, respectively. Feed and petroleum products, in contrast, increased at a somewhat slower rate than the average for all farm supplies. Seed showed only moderate change, increasing 20 percent.

Proportion of Business Through Cooperatives

Questions frequently arise as to the proportion of marketing and purchasing business done by cooperatives. No figures are available on the total amounts marketing cooperatives return to farmers. Therefore, we could not compare this directly to total cash receipts farmers receive for their marketings.

In addition, some of the net value of cooperative business reported represents income for performing various market functions such as processing, transportation, storage, and related items.

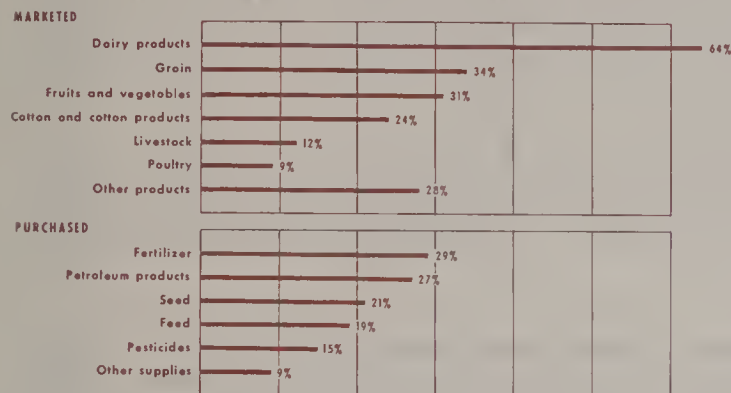
On the basis of available information, however, we estimate that at one stage or the other in the marketing process about 27 percent of all farm products move through cooperatives. This ranges from a high of 64 percent for dairy products to a low of 9 percent for poultry products. For such special items as cranberries, it was 90 percent and for broilers and tobacco, it was 5 percent.

The proportion for other important products cooperatives market is shown in figure 5.

The proportion of farm supplies cooperatives provide ranges from highs estimated at 29 and 27 percent, respectively, for fertilizer and petroleum products to a low of 9 percent for miscellaneous farm supplies. For such important items as seed and feed, the proportion is 21 and 19 percent, respectively.

When all production supplies are included co-operatives provide about 7 percent of the total used by farmers.

Fig. 5 ESTIMATED PERCENTAGES OF FARM PRODUCTS MARKETED BY AND PURCHASED THROUGH COOPERATIVES, 1966-67



Cooperative Discontinuances and Formations

Farmer Cooperative Service findings show that from 1957 to 1967 over 3,000 cooperatives were discontinued (figure 6).

Discontinuances by type of associations were as follows:

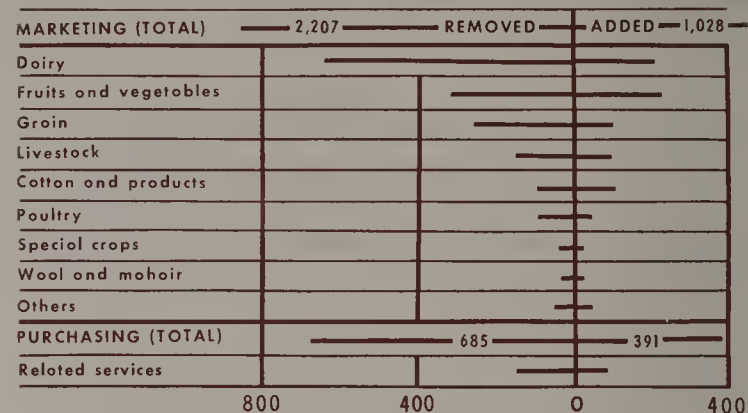
Type	Number
Marketing	
Dairy	862
Fruit and vegetable	411
Grain	334
Livestock	207
Cotton and products	126
Poultry	114
Special crops	40
Wool and mohair	38
Other	75
Total	2,207
Purchasing (farm supplies)	685
Related service	154
Total--all associations	3,046

During this same time almost 1,500 associations were organized. These are shown by type in the following tabulation.

<u>Type</u>	<u>Number</u>
Marketing	
Fruit and vegetable	256
Dairy	218
Grain	132
Cotton and products	123
Livestock	121
Poultry	54
Wool and Mohair	38
Special crops	32
Other	54
	<hr/>
Total	1,028
Purchasing (farm supplies)	391
Related Service	80
	<hr/>
Total--all associations	1,499

These comparisons indicate over two discontinuances for each new cooperative formed. Among those reported as discontinuances are a

Fig. 6 **MARKETING AND PURCHASING COOPERATIVES
ADDED AND REMOVED, BY TYPE, 1957 TO 1965**



number that were reorganized or that merged with other cooperatives. The rest are no longer engaged in any business operations. These developments reflect the same basic adjustments to changing economic conditions that are contributing to mergers among all major types of business.

Within the past year, nearly 300 cooperatives, in addition to those previously reported, have

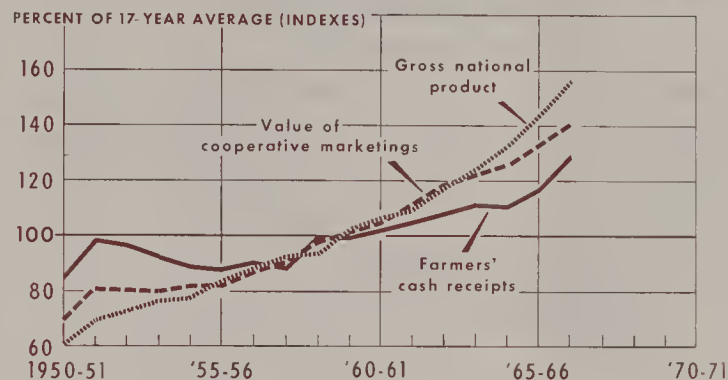
been financed through funds available to Farmers Home Administration for loans to cooperatives serving low-income groups. A large proportion of these funds are used by cooperatives to purchase harvesting machinery such as cotton pickers, combines, and similar items for joint use by members, and low-income farmers who are unable to purchase such machinery individually.

Relative Growth Trends

In comparing the growth of cooperatives with other types of business, our records show that from 1950-51 to 1966-67 the net value of farm products marketed and supplies purchased through cooperatives increased at a faster rate than the total business reported for these items.

During this period, indexes for marketings by cooperatives increased 103 percent (figure 7).

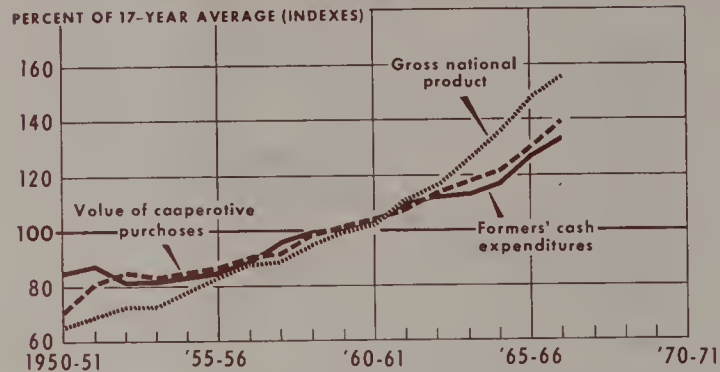
Fig.7 VALUE OF COOPERATIVE MARKETINGS, FARMERS' CASH RECEIPTS, AND GROSS NATIONAL PRODUCT



This compares with a 52 percent increase for the cash receipts of all farm products. For production supply cooperatives, the index of net volume increased about 98 percent from 1950-51 to 1966-67 (figure 8). This compares with a 57 percent increase in the index for all farm production supplies purchased.

In general all types of cooperative business except livestock, wool and mohair, and feeds

Fig. 8 VALUE OF COOPERATIVE PURCHASES, FARMERS' CASH EXPENDITURES, AND EQUIPMENT FOR SUPPLIES, AND GROSS NATIONAL PRODUCT



increased faster than similar business of firms other than cooperatives during this period.

Thus it is evident that cooperatives have made significant progress in the United States since World War II. They have become an increasingly important and accepted part of the business economy.

Cooperatives in The Future

Many of the important problems that will confront cooperatives tomorrow already are making their appearance on the horizon.

Adjustments to change in agriculture, changes in the world food and political situation, and the continuous advance of technology will have a bearing on possible future cooperative success. Cooperatives will need to give increased attention to these developments if they are to effectively meet the challenge of change.

Let us now examine areas in need of further attention as cooperatives plan for the future.

Greater Emphasis on Meeting Member Needs

Cooperative leadership must continually be alert to member needs. It is important for this

leadership to realize that the only reason for the existence of cooperatives is their ability to meet these needs more effectively than other types of business organizations.

The commercial farmer, for example, looks on his cooperatives as his off-the-farm marketing, purchasing, and business services agents. He expects them to adjust their operations to the impacts of such forces as larger but fewer farms, the need for greater financial resources, and a wide range of technical advancements that influence product handling, processing, and distribution methods.

For example, the use of computers not only will enable the cooperative to readily formulate feeds and fertilizers at the lowest possible cost of a given quality for members but also will provide opportunities for a wide range of personal services including record-keeping, income tax computations, and farm management assistance.

The impacts of change also are bringing diversification and integration of business

operations. The commercial farmer is interested in having the cooperative serve all the needs of his various business enterprises.

This often means providing purchasing, marketing, and related business services for his increasingly specialized operations. He will have greater needs for "across the board" integrated services to achieve for himself the benefits that come from increased control of his operations. This raises the very practical question of how far cooperatives should go in providing community service centers.

Moreover, the very nature of cooperative membership is changing. Barriers between the country and city are disappearing. With the continual growth of suburbanization, cooperative members will reflect at one and the same time both producer and consumer interests. The cooperative technique has application to both groups. Consequently non-farm rural people as well as commercial farmers are becoming increasingly interested in a growing number of services that can be provided by cooperatives.

These rural people, for instance, also have an interest in such services as credit, insurance, and recreation. There is reason to believe that many of them will turn to cooperatives, either established or new, in their efforts to obtain such services.

In many areas, large numbers of low-income people are located side by side with commercial agriculture. In the future more cooperatives may want to examine the possibilities of providing a wide range of additional services such as joint use of farm machinery, establishing grazing associations, and setting up credit unions to serve these people.

Gear Structure and Organization to Change

As cooperatives move in the direction of integration and diversification, we can anticipate substantial changes in organizational structure.

As of now, this question is unresolved: Will these changes call for new types of cooperatives

or will they mean that existing ones will expand functions to meet these changes? We have too much discussion of an "either or" approach to this problem. Obviously we will have some of each. The trend in developments will be influenced by the conditions prevailing with respect to each given situation.

The extent to which existing cooperatives are already serving a given territory and the willingness of management to plan operations to include an expanding range of community services will influence the direction taken. Likewise the nature of the services desired and the degree to which they may or may not complement existing cooperatives also will be important in determining the direction of future developments.

We must realize, too, that these developments will occur on a two-way street. Interest in using cooperatives as a tool to help improve the position of low-income people - farm and non-farm - will increase. At the same time, it seems reasonable to expect that large-scale, commercial farmers will insist that cooperatives provide

the kind of services their growing operations require for the most efficient production and sale of their products.

How a cooperative operates in the future then will be greatly influenced by such conditions as the impacts of technology particularly on production methods, ways of handling products, and what economists often call "economies of scale"--additional savings that can be realized from the operation of larger business enterprises. These savings may be realized in production, processing, manufacturing, and distribution.

Improving Management

Cooperatives are unique in that members at one and the same time help finance operations, control activities through basic management decisions, and benefit from accomplishments. Members have broad responsibility in determining the directions of their cooperative's development and in establishing the ground rules with respect

to the methods of organization and operation. As cooperatives become larger, the problems of maintaining member control and direction will become increasingly important.

This contributes to both strength and weakness among cooperatives. To the extent that members are well informed and assume responsibilities, they can pretty much chart the type of organization they desire and assure that it will operate in accord with their interests.

In the future this will place increased responsibility on the various elements of the cooperative's management team--members, board, and hired employees. The directors, for example, will need to be able to interpret members' views and interests in the economic conditions under which their cooperative will operate.

In the future, therefore, the criteria for electing a cooperative director will depend more and more on his grasp of the economic and social forces, both national and international, that will

shape the destinies of the cooperative business ventures for which he has responsibility.

This will mean a more responsive management for cooperatives tomorrow--a management that has a realistic understanding of cooperative objectives.

The alert directors in the future will not permit managers to establish personal relations by which they decide whether or not farm products are marketed through or production supplies are obtained from their regional cooperatives. Competing, in effect, with your own organization by doing business with its competitors is a practice that no responsible director should permit.

Improving management also requires placing more emphasis on the development of comprehensive training and informational programs not only for members and directors but for all groups of employees.

The successful cooperative in the future will be one that recognizes the importance of not only

selecting qualified directors and employees but continually training and, if necessary, retraining them. It will be one that emphasizes the need for maintaining competent personnel and it will be one that in all respects will be a pacesetter in the business community in the use and incorporation of all techniques of modern management.

More Recognition of Planning and Research

Too many cooperatives have been inclined to rest on their past performances. However, all that cooperatives have ahead is the future. At best, as cooperative leaders look to tomorrow, this future may be somewhat uncertain. It even may be "a never, never land" that by temperament and ability some are ill prepared to explore.

The realistic cooperative will recognize the need to plan, budget, and forecast. This means obtaining and interpreting pertinent facts for

decision making. It also means looking at the overall economy as it relates not only to agriculture as a whole but also to the specific services within agriculture that the cooperative has marked out for itself to perform.

To do the best possible job of planning requires an examination and an understanding of the relationship between agriculture and the rest of the economy as well as an appraisal of the domestic forces that are making their influence felt. For a long time, for instance, we have been conditioned by the specter of overproduction. This may change in the years ahead.

In actual practice, cooperatives want to know what are the impacts these different changes will have on the market possibilities for the various farm products they handle and on the costs of production supplies and needed services. This puts a premium on the need for research with emphasis on the interpretation and the implications of findings.

In the future, cooperatives will require the most accurate appraisal possible as to what is ahead, both on a short-time and long-time basis, if they are to make realistic management decisions.

While cooperatives are increasing their use of research both of an economic and a technical nature, they have a long way to go to achieve a pacesetter position in this respect. Both Federal and State agencies can provide them with much basic information and carry on broad studies that have industry wide application.

Cooperatives, however, need more research on what these facts mean to them. Research can be increasingly helpful in at least two ways: (1) By providing information that has special application to the problem of the specific cooperatives they represent, and (2) by providing information on basic social and economic problems of general interest to cooperatives.

Strengthening Cooperative Understanding

Cooperatives have contacts with many different publics. In the case of agricultural cooperatives, among the publics whose attitudes are important are: (1) Their own members; (2) members of other cooperatives with whom they need to have established communications; (3) farmers who are not members of any cooperative; and (4) the general public, including businessmen, educators, lawmakers, and church groups.

The knowledge that these publics have of cooperative activities will range from understanding to misunderstanding and even hostility.

Cooperatives have the continuing responsibility to tell the story of their objectives, operations, and accomplishments. When the general public has the correct understanding of these points, propaganda campaigns against cooperatives that

are based on misinformation lose much of their effectiveness.

Cooperatives, however, must deal with the realistic facts that for an indefinite period in the future they will encounter economic illiteracy not only in farm and rural groups but also in urban groups. This will call for increased emphasis on developing constructive educational programs by cooperatives.

To help cooperatives develop such a program, Farmer Cooperative Service has sponsored jointly with the American Institute of Cooperation a number of regional member relation conferences over the past 11 years. In 1968 topics focused on methods of serving and holding large-volume patrons. Some 450 leaders, executive, and board members serving over 7,500 of the Nation's rural cooperatives--including farmer marketing, supply, electric, credit union, and other types--were represented at these meetings, either directly or through regional affiliations.

Recognizing Responsibilities to be Pacesetters

Cooperatives have long prided themselves on being pacesetters in the community. It is, of course, true that when we look at the operations of over 8,100 marketing and purchasing cooperatives as well as some 14,000 service associations, we can find ample evidence to support the view that cooperatives are followers as well as pacesetters.

Let me give you just a few illustrations, however, of the pacesetting contributions of cooperatives:

1. They pump some \$500 million annually into the pockets of rural people through patronage refunds (this is an amount equal to 3 percent of the net income of farm people).
2. While difficult to measure, the indirect contributions of cooperatives through their

salutary effect on the marketplace may result in financial benefits that are equally as great as their patronage refund contributions.

3. Other specific examples of how cooperatives have benefited farmers include these:

a. In California, for one example, fertilizer prices dropped about 25 percent as cooperatives became effective in the market.

b. We can call the role of similar accomplishments in the distribution of seed, fertilizer, and petroleum products. Increased income resulting from the cooperative marketing of dairy products, grain, milk, and other farm products also have been pronounced.

Important as these pacesetting activities are, we must not lose sight of the fact that in many instances cooperative managers report that they

must follow competition or that competition is so severe that they cannot provide some of the services members request.

I suggest that such cooperatives are going to find it exceedingly difficult to justify their existence in the years ahead. These managers are in effect saying that either they are not showing the performance necessary to qualify as pacesetters or they are saying they have not adequately informed these members as to contributions they are making on their behalf.

In the years ahead, cooperatives must demonstrate that they have the ability to be out in front in doing the job members expect. We have only to compare the performance of the top 10 to 20 percent of cooperatives today to conclude that there is "plenty of room at the top"--that by diligent effort many more can be pacesetters in the true sense of the word.

18 It is just as unrealistic today to use economic tools of the 1940's to operate cooperatives as

it is to attempt to farm with the machinery and the technical and biological knowledge that we had in the 1940's. We do not hesitate to apply new developments in technical and biological knowledge and to discard undesirable strains and practices in our farm operations. We need less emotion and more objectivity in applying existing economic and social knowledge to solutions for problems of agriculture.

There is, therefore, a growing need for agricultural statesmanship--statesmanship that, for example, has such breadth of vision that it is capable not only of looking at costs of our present educational system, but also of appreciating and understanding costs of our failure to build an educational system second to none.

This statesmanship also needs to be of such caliber that not only will it look at the costs of poverty, hunger, slum clearance, and reducing pollution, but also will understand the consequences and the nature of the costs involved if we fail to deal realistically with these problems.

A look at cooperative performance suggests that farmers have a pacesetter nucleus of purchasing and marketing agribusiness firms.

The challenge to cooperative members and cooperative leadership is to provide the guidance and vision that will encourage more cooperatives to move in this direction.

More Attention to Government Policy

The philosophies of cooperative leaders have varied widely with respect to relations with Government. At times rugged individualists have asked little more than to be let alone. They have stated in effect that if left to their own devices, cooperatives could deal quite effectively with the wide range of problems confronting farm and other people.

Such a view, however, has proved decidedly unrealistic in terms of present day conditions. First of all, more and more cooperative leaders are recognizing that Government is a creation of

people. They also recognize it as an entity they not only carry on business with but also as a governing body that, through legislative, judicial, and executive action, may significantly encourage or impede opportunities for success or failure of cooperatives.

Cooperative leaders are increasingly gaining a better understanding of the very complex and interrelated nature of the economy in which they operate. They are coming to realize the tremendous impacts of technical developments that have, for instance, significantly changed commercial agriculture in a generation. These developments also reflect the nature of our economic and social institutions and the influence that actions of one segment can have on other segments of our society.

It has become increasingly clear, therefore, that forces of Government are important and that cooperatives have a legitimate interest in shaping the direction of agricultural policy. This interest may vary all the way from methods of dealing

with surplus products to encouraging the production of others or from improving production and distribution of quality farm products and production supplies to protecting the interest of users and the general public.

Cooperative leaders are more and more coming to recognize that cooperatives, by working with and through Government, can be an important vehicle for improving the economic position of farmers and other rural people. Rather than waiting for things to happen and then fatalistically accepting the consequences of such action, cooperative leaders are observing that by positive action they can use the forces of their own Government to help shape their own destiny.

Assisting Cooperatives in Developing Countries

The days of so-called splendid isolation are over. The success of cooperatives may be determined less by what happens in our local county

seats and in Washington than by what happens in London, New Delhi, Peking, Moscow, and Rio de Janeiro.

Cooperatives have long been recognized by our Government as well as other nations for the substantial contributions they can make to the development of foreign countries.

In the U.S. Department of Agriculture, some 500 trainees meet each year with the staff of Farmer Cooperative Service to discuss the various aspects of cooperation and its application to the countries which they represent. The Foreign Agricultural Service of the U.S. Department of Agriculture has responsibility for providing technical assistance on problems of agriculture in developing countries. As a part of this program, Farmer Cooperative Service has four cooperative technicians in Brazil, one in Paraguay, and one in Colombia. It has also provided short-time help in appraising possibilities for cooperative organizations in a number of countries in South America and Africa.

Fig. 9 IN SUMMARY, POSSIBLE FUTURE DEVELOPMENTS INCLUDE:

- 1 Put greater emphasis on meeting member needs
- 2 Geor structure ond operations to change
- 3 Improve manogement
- 4 Give more recognition to planning ond research
- 5 Strengthen understanding of cooperatives
- 6 Recognize responsibilities to be pacesetters
- 7 Assume more responsibilities in deciding Government policy
- 8 Help assist cooperotives in developing countries

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Conscious of its obligations, the University of Wisconsin, through a contract with the Agency for International Development, has developed an International Cooperative Training Center at

Madison. Here cooperative leaders from foreign countries come for a specified period of training in cooperation. This includes both classroom and field training.

Major national and regional cooperatives also are emphasizing "people to people" assistance through cooperative activities. Such organizations as Agricultural Cooperative Development International, Washington, D.C.; The Cooperative League of the U.S.A., Chicago, Ill.; National

Rural Electric Cooperative Association, Washington, D.C.; and general farm organizations and regional cooperatives through the Agricultural Cooperative Development International Organization, Washington, D.C., have active programs to assist foreign countries in establishment and operation of cooperatives.

The cooperative technique is recognized as important in the establishment of democratic

process as well as an effective tool for the development of national leaders. Finally, social and economic benefits of cooperatives are recognized as very substantial by the Governments of many of these countries.

As I look ahead, I see every indication that cooperative destiny largely will be determined by the initiative and imagination its leaders display in adjusting operations to the changing conditions that will confront cooperatives.

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